GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:4508
ANSWERED ON:17.04.2001
SPONGE IRON INDIA LIMITED
AMBATI BRAHMANAIAH

Will the Minister of STEEL be pleased to state:

(a) whether the Government have decided to inject new capital into Sponge Iron India Limited;

(b) if so, the details and the objectives thereof;

(c) whether there is any possibility of running this plant on a profitable basis; and

(d) if so, the details of steps proposed to be taken to formulate a comprehensive scheme in this regard?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): No, Sir. Government has, however, approved conversion of outstanding loan as on 31.3.2000 given to Sponge Iron India Limited by Government into equity as a prelude to disinvestment. Government has also approved write off of interest including penal interest as on 31.3.2000 in respect of loans disbursed to SIIL by Government.

(c)&(d): Government has decided to disinvest 100% Government equity in SIIL and M/s. A.F. Ferguson & Co. has been appointed as Adviser for disinvestment of the Company.